

**SOUND BANKING CO**

	CPP Disbursement Date 01/09/2009	Cert 57095	Number of Insured Depository Institutions 1		
Selected balance and off-balance sheet items	2010 \$ millions	2011 \$ millions	%chg from prev		
Assets	\$124	\$113	-8.4%		
Loans	\$89	\$85	-4.4%		
Construction & development	\$22	\$18	-17.1%		
Closed-end 1-4 family residential	\$24	\$24	-0.3%		
Home equity	\$11	\$9	-20.5%		
Credit card	\$0	\$0			
Other consumer	\$4	\$2	-49.4%		
Commercial & Industrial	\$7	\$5	-16.4%		
Commercial real estate	\$20	\$22	12.6%		
Unused commitments	\$11	\$10	-4.9%		
Securitization outstanding principal	\$0	\$0			
Mortgage-backed securities (GSE and private issue)	\$12	\$11	-8.4%		
Asset-backed securities	\$0	\$0			
Other securities	\$6	\$8	26.7%		
Cash & balances due	\$9	\$2	-73.9%		
Residential mortgage originations					
Closed-end mortgage originated for sale (quarter)	\$0	\$0			
Open-end HELOC originated for sale (quarter)	\$0	\$0			
Closed-end mortgage originations sold (quarter)	\$0	\$0			
Open-end HELOC originations sold (quarter)	\$0	\$0			
Liabilities	\$112	\$101	-10.3%		
Deposits	\$100	\$87	-12.6%		
Total other borrowings	\$10	\$11	8.4%		
FHLB advances	\$10	\$10	5.2%		
Equity					
Equity capital at quarter end	\$11	\$13	10.9%		
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$1	NA		
Performance Ratios					
Tier 1 leverage ratio	8.5%	10.4%	--		
Tier 1 risk based capital ratio	11.3%	13.6%	--		
Total risk based capital ratio	14.7%	16.7%	--		
Return on equity <sup>1</sup>	3.2%	4.0%	--		
Return on assets <sup>1</sup>	0.3%	0.5%	--		
Net interest margin <sup>1</sup>	4.5%	4.5%	--		
Coverage ratio {(ALL+Alloc transfer risk)/Noncurrent loans}}	198.3%	231.9%	--		
Loss provision to net charge-offs (qtr)	200.0%	236.8%	--		
Net charge-offs to average loans and leases <sup>1</sup>	0.3%	0.4%	--		
<sup>1</sup> Quarterly, annualized.					
	Noncurrent Loans		Gross Charge-Offs		
Asset Quality (% of Total Loan Type)	2010	2011	2010	2011	
Construction & development	1.7%	1.5%	0.4%	0.6%	--
Closed-end 1-4 family residential	0.0%	2.2%	0.0%	0.3%	--
Home equity	3.7%	0.0%	0.0%	0.0%	--
Credit card	0.0%	0.0%	0.0%	0.0%	--
Other consumer	8.1%	4.0%	0.3%	0.0%	--
Commercial & Industrial	0.0%	0.0%	0.1%	0.3%	--
Commercial real estate	0.0%	0.0%	0.0%	0.0%	--
Total loans	1.2%	1.0%	0.1%	0.2%	--